

### Abstract

A method for estimating a value of a corporation or a business activity, based on a cash flow model, under which an NPV of future earnings generated by the corporation or the business activity over a term of years is estimated on the basis of a given budget for the corporation or the business activity, a given discount rate and a given budget period. The budget period is estimated by means of a model based on selected factors relating to the corporation. Furthermore, a method for the estimation of a budget period for purposes of an estimation of the value of a corporation or a business activity, based on a cash flow model, in which the budget period is estimated using a model based on selected factors comprising the corporation's products, market position, productive equipment and human resources. A number of points are allocated to these factors on the basis of a number of data, and the points allocated to the factors are included in a mutual weighted ratio in the model applied to estimate the budget period. Also, a computer program for purposes of the mentioned methods, which computer program is designed to make the calculations stated.

Fig. 3

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